



FEDERAL ELECTION COMMISSION
Washington DC 20463

THIS IS THE BEGINNING OF ADMINISTRATIVE FINE CASE # 2527

DATE SCANNED 11-14-12

SCANNER NO. 2

SCAN OPERATOR Amv

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

RECEIVED
FEDERAL ELECTION
COMMISSION
SECRETARIAT

2012 JUN 22 P 1:04

June 22, 2012

SENSITIVE

MEMORANDUM

TO: The Commission

THROUGH: Alec Palmer *AP*
Staff Director

FROM: Patricia Carmona - *PC*
Chief Compliance Officer

DC Debbie Chacona
Assistant Staff Director
Reports Analysis Division

BY: *JW* Jodi Winship/Sari Pickeral *DP*
Compliance Branch

SUBJECT: Reason To Believe Recommendation – 2012 12 Day Pre-Primary
Report (Texas)

Attached is a list of a political committees and their treasurers who failed to file or timely file the 2012 12 Day Pre-Primary Report for the Texas Primary Election in accordance with 2 U.S.C. § 434(a). The 12 Day Pre-Primary Report was due on May 17, 2012 and the Primary Election was held on May 29, 2012.

The committees listed on the attached RTB Circulation Report either failed to file or failed to file timely the election sensitive report by the required due date. Election sensitive reports filed more than four days prior to the election are considered late and reports not filed more than four days prior to the election are considered not filed. In accordance with the schedule of civil money penalties for reports at 11 CFR § 111.43, these committees should be assessed the civil money penalties highlighted on the attached circulation report.

Recommendation

1. Find reason to believe that the political committees and their treasurers listed on the RTB Circulation Report violated 2 U.S.C. § 434(a) and make a preliminary determination that the civil money penalties would be the amounts indicated on the RTB Circulation Report.
2. Send the appropriate letters.

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6/22/2012 11:38 AM

Federal Election Commission
Reason to Believe Circulation Report
2012 PRE-PRIMARY Election Sensitive 05/17/2012 AUTH (TX)

AF#	Committee ID	Committee Name	Candidate Name	Treasurer	Threshold	PV	Receipt Date	Days Late	LOA	RTB Penalty
2527	C00506311	KIM MORRELL FOR CONGRESS	MORRELL, KIM	ROBERT J. LLORENTE	\$120,513	0	5/25/2012	Not Filed	\$36,682	\$1,400

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BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)
)
Reason To Believe Recommendation 2012)
12 Day Pre-Primary Report (TX):)

KIM MORRELL FOR CONGRESS, and) AF# 2527
ROBERT J LLORENTE as treasurer;)

CERTIFICATION

I, Shawn Woodhead Werth, Secretary and Clerk of the Federal Election Commission, do hereby certify that on June 25, 2012 the Commission took the following actions on the Reason To Believe Recommendation 2012 12 Day Pre-Primary Report (TX) as recommended in the Reports Analysis Division's Memorandum dated Junn 22, 2012, en the following committees:

AF#2527 Decided by a vote of 6-0 to: (1) find reason to believe that KIM MORRELL FOR CONGRESS, and ROBERT J LLORENTE as treasurer violated 2 U.S.C. 434(a) and make a preliminary determination that the civil money penalty would

be the amount indicated on the report; (2) send the appropriate letter. Commissioners Bauerly, Hunter, McGahn II, Petersen, Walther, and Weintraub voted affirmatively for the decision.

Attest:

June 26, 2012
Date

Shawn Woodhead Werth
Shawn Woodhead Werth
Secretary and Clerk of the Commission

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

June 26, 2012

Robert J. Llorente, in official capacity as Treasurer
Kim Morrell for Congress
2918 Ocean Mist Court
Seabrook, TX 77586

C00506311
AF#: 2527

Dear Mr. Llorente:

The Federal Election Campaign Act of 1971, as amended ("the Act"), requires that your committee file a 12 Day Pre-Primary Report of Receipts and Disbursements in any calendar year during which there is a regularly scheduled election for which the candidate is seeking election or nomination for election. This report, covering the period through May 9, 2012, shall be filed no later than May 17, 2012. 2 U.S.C. § 434(a). Because records at the Federal Election Commission ("FEC") indicate that this report was not filed prior to four (4) days before the election, it is considered not filed for the purpose of calculating the civil money penalty.

The Act permits the FEC to impose civil money penalties for violations of the reporting requirements of 2 U.S.C. § 434(a). 2 U.S.C. § 437g(a)(4). On June 25, 2012, the FEC found that there is reason to believe ("RTB") that Kim Morrell for Congress and you, in your official capacity as treasurer, violated 2 U.S.C. § 434(a) by failing to file timely this report on or before May 17, 2012. Based on the FEC's schedules of civil money penalties at 11 CFR § 111.43, the amount of your civil money penalty calculated at the RTB stage is \$1,400. Please see the attached copy of the Commission's administrative fine regulations at 11 CFR §§ 111.30-111.55. Attachment 1. The Commission's website contains further information about how the administrative fine program works and how the fines are calculated. See <http://www.fec.gov/af/af.shtml>. 11 CFR § 111.34. Your payment of \$1,400 is due within forty (40) days of the finding, or by August 4, 2012, and is based on these factors:

Election Sensitivity of Report: Election Sensitive

Level of Activity: \$36,682

Number of Days Late: Not Filed (reports not filed prior to four (4) days before the Primary Election held on May 29, 2012 are considered not filed for the purpose of calculating the penalty)

Number of Previous Civil Money Penalties Assessed: 0

At this juncture, the following courses of action are available to you:

1. If You Choose to Challenge the RTB Finding and/or Civil Money Penalty

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If you should decide to challenge the RTB finding and/or calculated civil money penalty, you must submit a written response, including the AF# found at the top of page 1 under your committee's identification number, to the FEC's Office of Administrative Review, 999 E Street, NW, Washington, DC 20463. Your response must be received within forty (40) days of the Commission's RTB finding, or August 4, 2012. 11 CFR § 111.35(a). Your written response must include the reason(s) why you are challenging the RTB finding and/or calculated civil money penalty, and must include the factual basis supporting the reason(s) and supporting documentation. The FEC strongly encourages that documents be submitted in the form of affidavits or declarations. 11 CFR § 111.36(c).

The FEC will only consider challenges that are based on at least one of three grounds: (1) a factual error in the RTB finding; (2) miscalculation of the calculated civil money penalty by the FEC; or (3) your demonstrated use of best efforts to file in a timely manner when prevented from doing so by reasonably unforeseen circumstances that were beyond your control. 11 CFR § 111.35(b). In order for a challenge to be considered on the basis of best efforts, you must have filed the required report no later than 24 hours after the end of these reasonably unforeseen circumstances. *Id.* Examples of circumstances that will be considered reasonably unforeseen and beyond your control include, but are not limited to, (1) a failure of Commission computers or Commission-provided software despite your seeking technical assistance from Commission personnel and resources; (2) a widespread disruption of information transmissions over the Internet that is not caused by a failure of the Commission's or your computer systems or Internet service provider; and (3) severe weather or other disaster-related incident. 11 CFR § 111.35(c). Examples of circumstances that will not be considered reasonably unforeseen and beyond your control include, but are not limited to, (1) negligence; (2) delays caused by vendors or contractors; (3) treasurer and staff illness, inexperience or unavailability; (4) committee computer, software, or Internet service provider failures; (5) failure to know filing dates; and (6) failure to use filing software properly. 11 CFR § 111.35(d).

The "failure to raise an argument in a timely fashion during the administrative process shall be deemed a waiver" of your right to present such argument in a petition to the U.S. district court under 2 U.S.C. § 437g. 11 CFR § 111.38.

If you intend to be represented by counsel, please advise the Office of Administrative Review. You should provide, in writing, the name, address and telephone number of your counsel and authorize counsel to receive notifications and communications relating to this challenge and imposition of the calculated civil money penalty.

2. If You Choose Not to Pay the Civil Money Penalty and Not to Submit a Challenge

If you do not pay the calculated civil money penalty and do not submit a written response, the FEC will assume that the preceding factual allegations are true and make a final determination that Kim Morrell for Congress and you, in your official capacity as treasurer, violated 2 U.S.C. § 434(a) and assess a civil money penalty.

Unpaid civil money penalties assessed through the Administrative Fine regulations will be subject to the Debt Collection Act of 1982 ("DCA"), as amended by the Debt Collection Improvement Act of 1996, 31 U.S.C. § 3701 *et seq.* The FEC may take any and all appropriate

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action authorized and required by the DCA, as amended, including transfer to the U.S. Department of the Treasury for collection. 11 CFR § 111.51(a)(2).

3. If You Choose to Pay the Civil Money Penalty

If you should decide to pay the calculated civil money penalty, send the enclosed remittance form, along with your payment, to the FEC at the address on page 4. Upon receipt of your payment, the FEC will send you a final determination letter.

This matter was generated based on information ascertained by the FEC in the normal course of carrying out its supervisory responsibilities. 2 U.S.C. § 437g(a)(2). It will remain confidential in accordance with 2 U.S.C. § 437g(a)(4)(B) and 437g(a)(12)(A) until it is placed on the public record in accordance with 11 CFR § 111.42, unless you notify the FEC in writing that you wish the matter to be made public.

As noted earlier, you may obtain additional information on the FEC's administrative fine program, including the final regulations, on the FEC's website at <http://www.fec.gov/af/af.shtml>. If you have questions regarding the payment of the calculated civil money penalty, please contact Sari Pickerall in the Reports Analysis Division at our toll free number (800) 424-9530 (at the prompt press 5) or (202) 694-1130. If you have questions regarding the submission of a challenge, please contact the Office of Administrative Review at our toll free number (800) 424-9530 (press 0, then ext. 1660) or (202) 694-1660.

On behalf of the Commission,



Caroline C. Hunter
Chair

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ADMINISTRATIVE FINE REMITTANCE & PAYMENT INSTRUCTIONS

In accordance with the schedule of penalties at 11 CFR § 111.43, the amount of your civil money penalty calculated at RTB is \$1,400 for the 2012 Pre-Primary Report.

Please mail this remittance with a check or money order made payable to the Federal Election Commission to the following address:

Federal Election Commission
P.O. Box 979058
St. Louis, MO 63197-9000

If you choose to send your remittance and payment by courier or overnight delivery, please use this address:

U.S. Bank - Government Lockbox
FEC #979058
1005 Convention Plaza
Attn: Government Lockbox, SL-MO-C2GL
St. Louis, MO 63101

The remittance and your payment are due by August 4, 2012. Upon receipt of your remittance and payment, the FEC will send you a final determination letter.

PAYMENTS BY PERSONAL CHECK

Personal checks will be converted into electronic funds transfers (EFTS). Your account will be electronically debited for the amount on your check, usually within 24 hours, and the debit will appear on your regular statement. We will destroy your original check and keep a copy of it. In case the EFT cannot be processed for technical reasons, you authorize us to process the copy in lieu of the original check. Should the EFT not be completed because of insufficient funds, we may try to make the transfer twice.

PLEASE DETACH AND RETURN THE PORTION BELOW WITH YOUR PAYMENT

FOR: Kim Morrell for Congress

FEC ID#: C00506311

AF#: 2527

PAYMENT DUE DATE: August 4, 2012

PAYMENT AMOUNT DUE: \$1,400

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

RECEIVED
FEDERAL ELECTION
COMMISSION
SECRETARIAT

2012 AUG 20 PM 4: 22

August 20, 2012

MEMORANDUM

SENSITIVE

TO: The Commission

THROUGH: Alec Palmer *AP*
Staff Director

FROM: Patricia C. Orrock *PC for PO*
Chief Compliance Officer

Debbie Chacona *DC*
Assistant Staff Director
Reports Analysis Division

BY: *W*odi Winship/Sari Pickerall *SP*
Reports Analysis Division
Compliance Branch

SUBJECT: Administrative Fine Program – Final Determination Recommendation for the
2012 12 Day Pre-Primary Report (Texas)

Attached is a list identifying a political committee and its treasurer against which the Commission has found reason to believe (RTB) and assessed proposed a civil money penalty calculated at RTB for failure to file or failure to timely file the 2012 12 Day Pre-Primary Report (Texas). The committee has not paid the civil money penalty requested at RTB and has been given at least forty (40) days from the date of the Commission's RTB finding to remit payment.

In accordance with 11 CFR § 111.40, the Commission shall send a final determination notice to those respondents that have not paid the civil money penalty.

RAD Recommendation

- (1) Make final determination that the political committee and its treasurer listed on the attached report violated 2 U.S.C. § 434(a) and assess the final civil money penalty so indicated.
- (2) Send the appropriate letter.

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8/20/2012 2:40 PM

Federal Election Commission
FD Circulation Report Fine Not Paid
2012 PRE-PRIMARY Election Sensitive 05/17/2012 AUTH (TX)

AF#	Committee Name	Candidate Name	Committee ID	Treasurer	Receipt Date	Days Late	LOA	PV	RTB Date	RTB Penalty	Days Since RTB	FD Penalty
2527	KIM MORRELL FOR CONGRESS	MORRELL, KIM	C00506311	ROBERT J. LLORENTE	05/25/2012	Not Filed	\$36,682	0	08/25/2012	\$1,400	56	\$1,400

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BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)
)
Administrative Fine Program - Final)
Determination Recommendation for the)
2012 12 Day Pre-Primary Report (TX):)
KIM MORRELL FOR CONGRESS, and) AF# 2527
ROBERT J LLORENTE as treasurer;)

CERTIFICATION

I, Shelley E. Garr, Deputy Secretary of the Federal Election Commission, do hereby certify that on August 21, 2012 the Commission took the following actions on the Administrative Fine Program - Final Determination Recommendation for the 2012 12 Day Pre-Primary Report (TX) as recommended in the Reports Analysis Division's Memorandum dated August 21, 2012, on the following committees:

AF#2527 Decided by a vote of 6-0 to: (1) make a final determination that KIM MORRELL FOR CONGRESS, and ROBERT J LLORENTE as treasurer, violated 2 U.S.C. 434(a) and assess the final civil money penalty so indicated; (2) send the appropriate letter. Commissioners Bauerly, Hunter, McGahn II, Petersen, Walther, and Weintraub voted affirmatively for the decision.

Attest:

August 23, 2012
Date

Shelley E. Garr
Shelley E. Garr
Deputy Secretary of the Commission



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

August 23, 2012

Robert J. Llorente, in official capacity as Treasurer
Kim Morrell for Congress
2918 Ocean Mist Ct
Seabrook, TX 77586

C00506311
AF#: 2527

Dear Mr. Llorente:

On June 25, 2012, the Federal Election Commission ("the Commission") found reason to believe ("RTB") that Kim Morrell for Congress and its treasurer violated 2 U.S.C. § 434(a) for filing late or failing to file the 2012 Pre-Primary Report. By letter dated June 26, 2012, the Commission sent notification of the RTB finding that included a civil money penalty calculated at the RTB stage of \$1,400 in accordance with the schedule of penalties at 11 CFR § 111.43. Within 40 days of the FEC's RTB finding, its treasurer was required to either transmit payment of the calculated civil money penalty or submit a written response challenging either the RTB finding or the calculated civil money penalty.

The FEC did not receive payment of the calculated civil money penalty or a written response within the time permitted. The FEC made a final determination on August 22, 2012 that you, in your official capacity as treasurer, and Kim Morrell for Congress violated 2 U.S.C. § 434(a) and assessed a civil money penalty in the amount of \$1,400 in accordance with 11 CFR § 111.43. The civil money penalty is based on these factors:

Election Sensitivity of Report: Election Sensitive

Level of Activity: \$36,682

Number of Days Late: Not Filed (reports not filed prior to four (4) days before the Primary Election held on May 29, 2012 are considered not filed for the purposes of calculating the penalty)

Number of Previous Civil Money Penalties Assessed: 0

At this juncture, the following courses of action are available to you:

1. If You Choose to Appeal the Final Determination and/or Civil Money Penalty

If you choose to appeal the final determination, you should submit a written petition, within 30 days of receipt of this letter, to the district court of the United States for the district in which the committee or treasurer reside, or transact business, requesting that the final

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determination be modified or set aside. See 2 U.S.C. § 437g(a)(4)(C)(iii). Your failure to raise an argument in a timely fashion during the administrative process shall be deemed a waiver of the respondents' right to present such argument in a petition to the district court under 2 U.S.C. § 437g. 11 CFR § 111.38.

2. If You Choose Not to Pay the Civil Money Penalty and Not to Appeal

Unpaid civil money penalties assessed through the Administrative Fine regulations will be subject to the Debt Collection Act of 1982 ("DCA") as amended by the Debt Collection Improvement Act of 1996 ("DCIA"), 31 U.S.C. § 3701 *et seq.* If you do not pay this debt within 30 days (or file a written petition to a federal district court - see below), the Commission will transfer the debt to the U.S. Department of the Treasury ("Treasury") for collection. Within 5 days of the transfer to Treasury, Treasury will contact the debtor and request payment. Treasury currently charges a fee of 28% of the civil money penalty amount for its collection services. The fee will be added to the amount of the civil money penalty that you owe. Should Treasury's attempts fail, Treasury will refer the debt to a private collection agency ("PCA"). If the debt remains unpaid, Treasury may recommend that the Commission refer the matter to the Department of Justice for litigation.

Actions which may be taken to enforce recovery of a delinquent debt by Treasury may also include: (1) offset of any payments, which the debtor is due, including tax refunds and salary; (2) referral of the debt to agency counsel for litigation; (3) reporting of the debt to a credit bureau; (4) administrative wage garnishment; and (5) reporting of the debt, if discharged, to the IRS as potential taxable income. In addition, under the provisions of DCIA and other statutes applicable to the FEC, the debtor may be subject to the assessment of other statutory interest, penalties, and administrative costs.

In accordance with the DCIA, at your request, the agency will offer you the opportunity to inspect and copy records relating to the debt, the opportunity for a review of the debt, and the opportunity to enter into a written repayment agreement.

3. If You Choose to Pay the Civil Money Penalty

If you should decide to pay the civil money penalty, send the enclosed remittance form, along with your payment, to the address on page 4 within 30 days of receipt of this letter.

The confidentiality provisions at 2 U.S.C. § 437g(a)(12) no longer apply and this matter is now public. The file will be made a part of the public record pursuant to 11 CFR § 111.42(b). Although the file must be placed on the public record within thirty (30) days from the date of the Commission's notification, this could occur at anytime following certification of the Commission's vote.

If you have any questions regarding the payment of the civil money penalty, please contact Sari Pickerall at Federal Election Commission, 999 E St., NW, Washington, DC 20463, or our toll free number (800) 424-9530 (at the prompt, press 5) or (202) 694-1130.

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On behalf of the Commission,

Carole C. Hunter

Caroline C. Hunter
Chair

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ADMINISTRATIVE FINE PAYMENT INSTRUCTIONS

In accordance with the schedule of penalties at 11 CFR § 111.43, the civil money penalty is \$1,400 for the 2012 Pre-Primary Report.

This penalty should be paid by check or money order made payable to the Federal Election Commission. It should be sent by mail to:

Federal Election Commission
PO Box 979058
St. Louis, MO 63197-9000

If you choose to send your payment by courier or overnight delivery, please use this address:

U.S. Bank - Government Lockbox
FEC #979058
1005 Convention Plaza
Attn: Government Lockbox, SL-MO-C2GL
St. Louis, MO 63101

The form and payment are due within 30 days of receipt of this letter.

Payments by Personal Check

Personal checks will be converted into electronic funds transfers (EFTs). Your account will be electronically debited for the amount on the check, usually within 24 hours, and the debit will appear on your regular statement. We will destroy your original check and keep a copy of it. In case the EFT cannot be processed for technical reasons, you authorize us to process the copy in lieu of the original check. Should the EFT not be completed because of insufficient funds, we may try to make the transfer twice.

PLEASE DETACH AND RETURN THE PORTION BELOW WITH YOUR PAYMENT

FOR: Kim Morrell for Congress

FEC ID#: C00506311

AF#: 2527

PAYMENT AMOUNT DUE: \$1,400

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QUALITY IS OUR PRIORITY FOR LOCKBOX 9058
SEQ# 003 \$ 0000140000 BA# 1 10-09-12 20 4



ROBERT J. Llorente

0091
35-1128/1128
02

SEABROOK TX 77586

DATE 10/3/12

PAY
TO THE
ORDER OF

FEDERAL ELECTION COMMISSION

\$ 1,400.00

ONE THOUSAND FOUR HUNDRED

00/100

DOLLARS

Amegy Bank

Amegy Bank N.A.

P.O. Box 27450

Houston, Texas 77227-7450

713-635-6510 / www.amegybank.com

FOR PENALTY / FINES

us bancorp.
The Bancorp. Company

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FEDERAL ELECTION COMMISSION
Washington DC 20463

THIS IS THE END OF ADMINISTRATIVE FINE CASE # 2527

DATE SCANNED 11-14-12

SCANNER NO. 2

SCAN OPERATOR AmH

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